



January 25, 2010

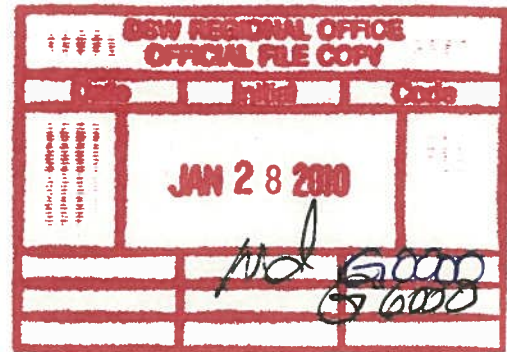
Mr. Darrick Moe  
Desert Southwest Regional Manager  
Western Area Power Administration  
Post Office Box 6457  
Phoenix, Arizona 85005-6457

and

Via Facsimile: 602-605-2490, 2 pages

and

Via Email: [post2017bcp@wapa.gov](mailto:post2017bcp@wapa.gov)



Re: Comments on the Boulder Canyon Project Post – 2017 Application of the Energy Planning and Management Program Power Marketing Initiative

Dear Mr. Moe:

Our entity is a Municipal Water Electric Utility Authority organized under the laws of the State of Arizona and recognized as a Federal Preference Customer. Our projected load is three megawatts as of 2017. The following are comments concerning the Boulder Canyon Project Post 2017 Power Marketing Initiative

**Resource Pool:** The Resource Pool is too small. Most Western Resource Pool percentages have previously been established between six and eight percent and we believe the Resource Pool should be established at eight percent.

**Renewable Energy Resource Requirement:** Recognizing the daily patterns of wind and sun and other features of renewable energy resources, it is vitally important that the resource pool be sufficiently large to ensure meaningful allocations to new customers of the Hoover resource. The Hoover resource has characteristics that will allow it to support implementation of renewable energy projects and integration of those projects into an electrical operating system.

For a period of seventy years the Arizona Power Authority (APA) has operated under a law that discriminates in the allocation of Hoover energy in Arizona and should not be allowed to continue for an additional thirty years. If Arizona marketing under existing APA statutes is allowed to continue, this will extend, for a total of 100 years, discrimination in sale of a federal resource against electric distribution cooperatives, cities, towns and tribes.

All allocations to the APA should be conditioned by a contractual requirement that in the resale of its Hoover allocation the APA comply with Federal Preference Laws. The allocation of the Federal Resource to Arizona should no longer permit APA resale of the power and energy from Hoover under discriminatory statutes. The statutes governing the APA require it to discriminate in the sale of Hoover power and energy as they contain priorities in APA allocations to preference power entities contrary to Federal law which deny equal and equitable allocations to Arizona Native American tribal entities, cities and towns, tribal utilities, and distribution electric cooperatives. To not contractually or otherwise condition any receipt by Arizona and the APA of any Hoover allocation on re-sale compliance with Federal Preference law would be in violation of the mandate to secure the widest use of Federal Resources and an abandonment by Western of its guiding principles and applicable Federal Law.

Term: A fifty year term is preferable. We are attempting to reduce greenhouse gas and need a long-term resource like Hoover.

Capacity Factor: Allocations to Arizona should require that upon re-sale new customer allocations within Arizona should have equal and equitable access to the same capacity factors and schedule A, B and C energy as existing Arizona allottees.

Sincerely,

A handwritten signature in blue ink, appearing to read "Lonnie K. Frost", with a stylized flourish at the end.

Lonnie K. Frost  
Chairman – Utilities Board

cc: Arizona Delegation